

M&A INDUSTRY REPORT

Telecom Business Services

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.

SPRING 2025



TABLE OF CONTENTS

03

Overview

04

Public Markets
Summary

06

M&A Summary

07

M&A Transactions

08

M&A Transactions
with Announced
Multiples

09

FOCUS Telecom
Technology and
Services Team

10

Appendix: Sub
Sector Analysis



OVERVIEW

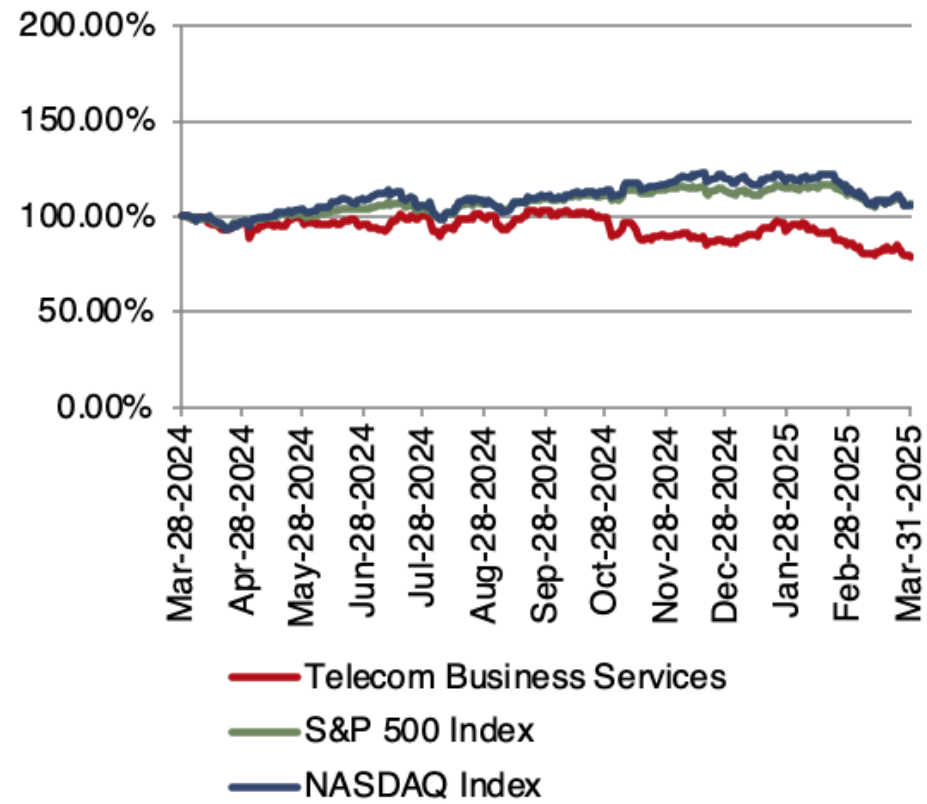
The FOCUS Telecom Business Services Index (TBSI) suffered a steep loss for the second straight reporting period with a three-month drop of 8.6%.

This was significantly worse than the 4.6% drop in the S&P 500 over the same time frame, but at least it outperformed the 10.4% decline in the NASDAQ. Over the last twelve months, the TBSI's performance compares even more unfavorably to the broader indices. While the TBSI fell 21.0% over the past year, the S&P 500 and the NASDAQ gained 6.8% and 5.6%, respectively. Sector multiples are also trading lower than they were in the year-ago period. The revenue multiple for the TBSI fell from 1.2x a year ago to 0.9x currently, while the EBITDA multiple dipped from 12.5x to 9.7x.

Both of the two sub sectors in the TBSI failed to deliver a positive return in our spring reporting period. The Distributors and Logistics Services sub sector was the better performing sub sector with a three-month loss of 7.6%. Declines in this sub sector were broad-based, making this the second straight reporting period where every single stock in the sub sector suffered a negative return. The Distributors and Logistics Services sub sector is also down nearly 33% for the full year, with both revenue and EBITDA multiples declining significantly over this time period. The situation was a bit more nuanced for the Telecom Engineering and Construction sub sector. On the one hand, this sub sector suffered a steeper three-month decline of 9.4%. However, much of this was due to double digit declines at U.S.-based Mastec and Dycom. Companies with more international exposure fared significantly better, although all but one was still in negative territory. In addition, the sub sector also remained in positive territory for the full year with a gain of 13.3%. Sub sector multiples also managed to hold fairly steady compared to this same time last year. The sub sector revenue multiple remained at 0.8x, while the EBITDA multiple declined slightly from 7.3x a year ago to 7.1x currently.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Business Services	-21.0%	-8.6%
Distributors and Logistics Services	-32.9%	-7.6%
Engineering and Construction	13.3%	-9.4%
S&P 500	6.8%	-4.6%
NASDAQ	5.6%	-10.4%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

	3/31/25	3/31/24
Telecom Business Services	0.9x	1.2x
Distributors and Logistics Services	1.0x	1.4x
Engineering and Construction	0.8x	0.8x

Sector and Sub Sector EBITDA Multiples

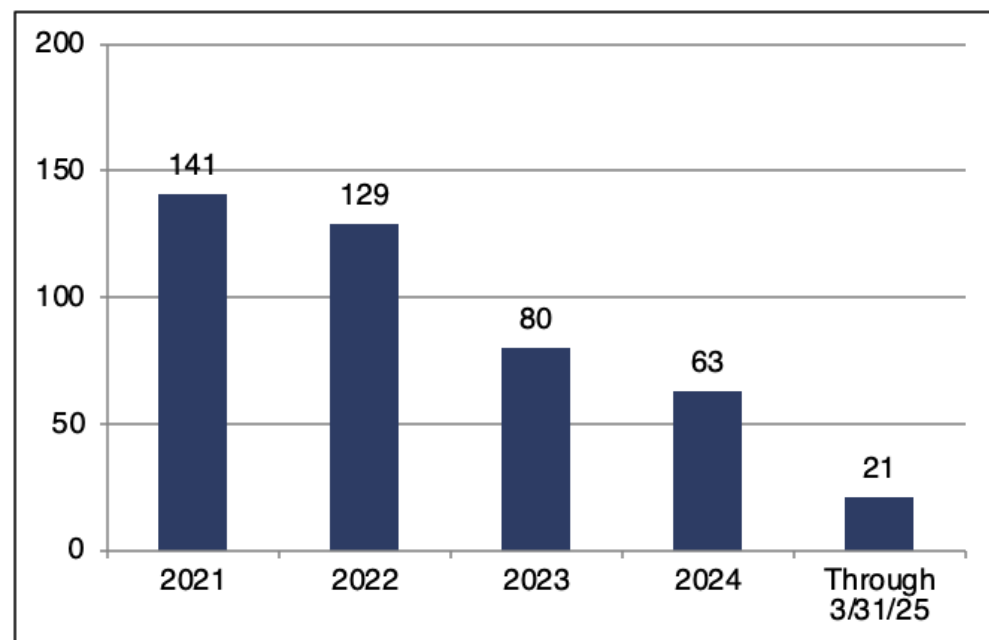
	3/31/25	3/31/24
Telecom Business Services	9.7x	12.5x
Distributors and Logistics Services	12.4x	17.4x
Engineering and Construction	7.1x	7.3x

M&A ACTIVITY

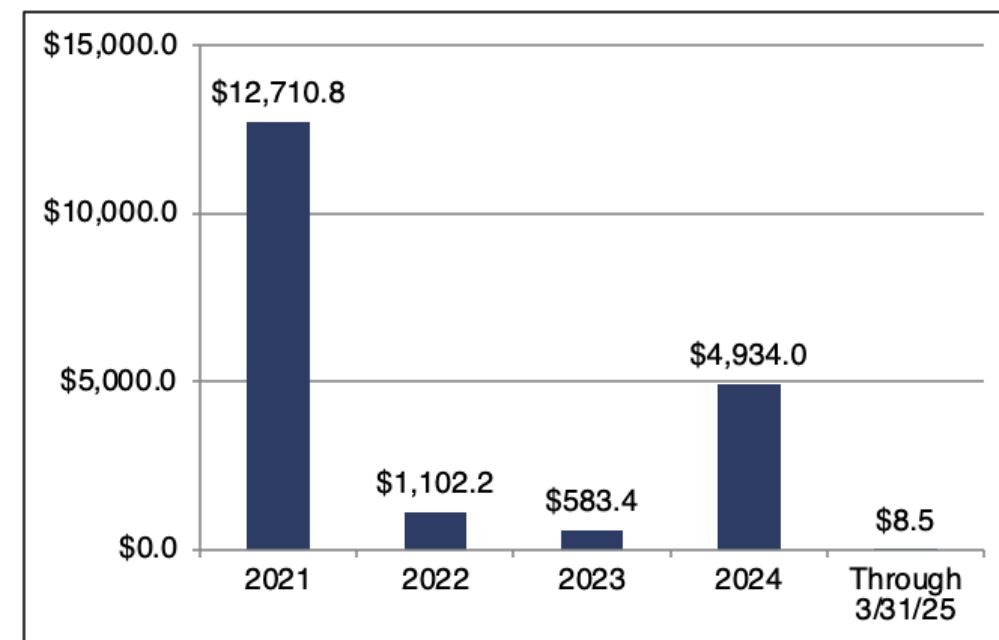
The Telecom Business Services sector maintained its M&A momentum from the last three months of 2024, at least when measured by the total number of announced transactions. The first three months of 2025 had a total of 21 announced deals, which is a much higher level of activity than we saw for most of 2024. On the down side, total announced transaction dollar value for the past three months came in at a paltry \$8.5 million. We saw activity pick up in the Telecom Engineering and Construction sub sector as it accounted for seven of the period's total transactions. This included a new private equity-backed platform as Greenhall Capital Partners acquired Texas-based fiber engineering and construction company Johnson Communications. In another Texas-based deal, National OnDemand acquired J. Tucker Construction. Finally, we noted that fiber engineering and construction company UniTek Global Services was acquired by BTG Pactual Asset Management. The Distributors and Logistics Services sub sector also had a newly minted platform company with the CVC Capital Partners acquisition of Maticmind, a technology distributor based in Italy. ITAD service provider Sustainable Electronics notched another acquisition with its purchase of Cascade Asset Management. We also noted that John Staurulakis acquired LogicomUSA, a provider of contact center support solutions to smaller broadband operators. In the final transaction in the Distributors and Logistics Services sub sector that we will specifically highlight, Service Express was once again active this period with its acquisition of data center maintenance services provider Top Gun.

There was only one transaction with an announced multiple this period. This was the Ceragon Networks acquisition of distributor and systems integration company End 2 End Technologies. This transaction had a revenue multiple of 0.6x. There was no announced EBITDA multiple.

Number of Transactions



\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (1/1/25 – 3/31/25)

Acquirer	Target	Sector	Date Announced	Purchase Price	Description
Auranext	Tribord	Distributors & Logistics Services	3/26/25	NA	Value added reseller providing technology consulting, hardware provisioning and technical support to clients in the Paris region.
Industrial Networking Solutions	Source	Distributors & Logistics Services	3/12/25	NA	Cradlepoint partner specializing in wireless networking, IoT and POTS replacement services.
Inforte Bilisim	Shifra	Distributors & Logistics Services	3/6/25	NA	Cybersecurity value added distributor for businesses in the Middle East and Africa.
John Staurulakis	LogicomUSA	Distributors & Logistics Services	3/6/25	NA	Provides voice, network and 24/7 contact center services to broadband providers and electric cooperatives in the U.S.
CVC Capital Partners	Maticmind	Distributors & Logistics Services	3/4/25	NA	Communications system integration solutions in a variety of areas including routing and switching, unified communications and wireless LAN.
BTG Pactual Asset Management	UniTek Global Services	Telecom Engineering and Construction	2/27/25	NA	Engineering and design, project management, fiber installation and maintenance services for telecom operators.
GridSource	B. Robinson	Telecom Engineering and Construction	2/25/25	NA	Texas-based provider of construction services for fiber optic networks.
Purview Consultancy Services	EDF Systems	Distributors & Logistics Services	2/20/25	NA	Design, installation and maintenance of data and communications infrastructure for businesses in Australia.
Sage Sustainable Electronics	Cascade Asset Management	Distributors & Logistics Services	2/20/25	NA	IT asset disposition services with full-scale refurbishment and demanufacturing facilities in Madison, Indianapolis and Orlando.
ITGL	Intuitive Systems And Networks	Distributors & Logistics Services	2/12/25	NA	Provides Cisco-partnered IT services for businesses globally.
Service Express	Top Gun	Distributors & Logistics Services	2/12/25	NA	Data center maintenance services including relocation, managed services and IT asset disposition.
Alter Holding	3CIS	Telecom Engineering and Construction	2/11/25	NA	Provider of network infrastructure and related services to telecom operators.
Greenhall Capital Partners	Johnson Communications	Telecom Engineering and Construction	2/3/25	NA	Design and engineering, construction, installation, maintenance and project management services for customers in the telecom market.
ELOVADE Beteiligungs	Avangate Security	Distributors & Logistics Services	1/27/25	NA	Security software value added reselling services to businesses in Italy and Switzerland.
National OnDemand	J. Tucker Construction	Telecom Engineering and Construction	1/15/25	NA	Texas-based company with over 30 years of expertise in underground construction, last mile buried service and fiber splicing services.
Ceragon Networks	End 2 End Technologies	Distributors & Logistics Services	1/14/25	\$8.5	Systems integration company that serves private network operators primarily in the energy and utilities markets.
biztributor	AccessPoint	Distributors & Logistics Services	1/10/25	NA	IT network and telecommunications distribution services for partners such as Bitdefender and Ruckus Networks.
CaITower	Inoria	Distributors & Logistics Services	1/8/25	NA	Contact center systems integration services for businesses in Canada.
CIRCET GROUPE	CACI Communications	Telecom Engineering and Construction	1/8/25	NA	Kansas City-based provider of aerial and underground construction services to national telecom and internet service providers.
The Cook & Boardman Group	Intellicom	Telecom Engineering and Construction	1/6/25	NA	Designs, installs and maintains cable systems for enterprise voice, data and video networks.
CNC Software	FASTech	Distributors & Logistics Services	1/2/25	NA	Network support and cabling services for both government and commercial markets.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (4/1/24 – 3/31/25)

Acquirer	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Ceragon Networks	End 2 End Technologies	Distributors & Logistics Services	1/14/25	\$8.5	0.6 x	NA	Systems integration company that serves private network operators primarily in the energy and utilities markets.
Planetel	Suardi	Distributors & Logistics Services	11/25/24	\$3.7	1.0 x	NA	Provides civil and industrial voice and data communications and security systems integration services for businesses in Italy.
NSK	Js Telecom Systems	Telecom Engineering and Construction	10/18/24	\$2.5	0.4 x	NA	Network infrastructure, voice system and information security construction and maintenance services in Japan.
Dycom	Black & Veatch (Public Carrier Wireless Business)	Telecom Engineering and Construction	8/21/24	\$150.0	0.6 x	NA	Wireless construction services primarily in the states of New York, New Jersey, Missouri, Kansas, Colorado, Utah, Wyoming, Idaho and Montana.
Clayton, Dubilier & Rice	Exclusive Networks	Distributors & Logistics Services	7/24/24	\$2,669.1	1.7 x	13.1 x	Global cybersecurity specialist that provides partners and end-customers with a wide range of services and product portfolios.
Quanta Services	Cupertino Electric	Telecom Engineering and Construction	7/18/24	\$1,705.0	0.9 x	10.9 x	Provides datacenter, commercial and energy projects engineering and infrastructures construction services.

OUR TEAM

FOCUS Telecom Technology and Services Team



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Rich Pierce has more than 20 years of investment banking experience advising middle market clients on a variety of mergers and acquisitions and capital raising transactions. During that time, Mr. Pierce's primary emphasis has been on serving clients in the telecommunications industry including providers of network related hardware and software products, wireless and wireline telecommunications service providers and network engineering and construction companies.



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David Freeland, a FOCUS Managing Director, has more than fifteen years of experience providing investment banking and management consulting services to a variety of corporate clients, ranging from the Fortune 500 to start-up businesses. He has been an investment banker since 2003, advising clients on mergers and acquisitions and capital raising transactions. Mr. Freeland has broad experience in the telecom and technology industry and has significant experience with data center companies.



APPENDIX

SUB SECTOR ANALYSIS:

- Distributors and Logistics Services
- Engineering and Construction

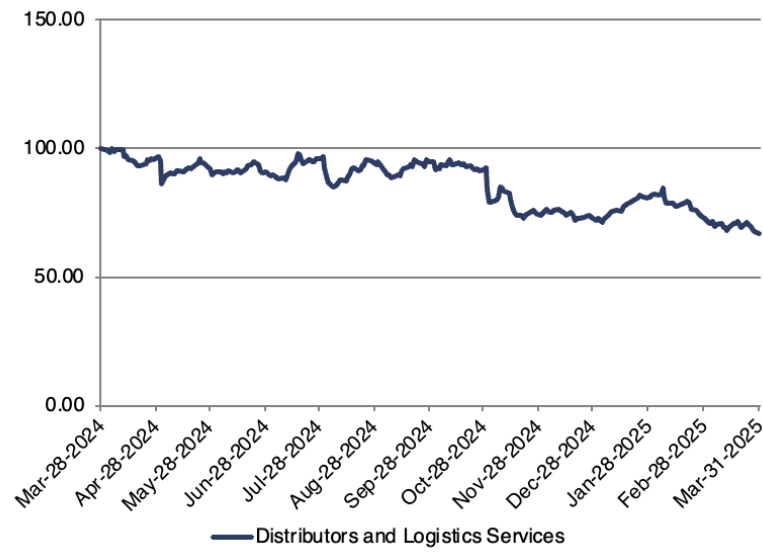


SUB SECTOR DEFINITIONS

- **Distributors and Logistics Services:** This sub sector includes companies that distribute communications-related products or that provide repair, refurbish and other supply chain management solutions. Companies in this segment may serve either telecom service providers, businesses or both.
- **Engineering and Construction:** Engineering and Construction companies provide a variety of services including network planning and design, systems integration, installation and construction. Customers are primarily service providers but may also include large enterprises and governments.

SUB SECTOR ANALYSIS: DISTRIBUTORS AND LOGISTICS SERVICES

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Distributors and Logistics Index	-32.9%	-7.6%
CDW	-37.3%	-7.9%
ePlus	-22.3%	-17.4%
Insight	-19.2%	-1.4%
PC Connection	-5.3%	-9.9%

Company Revenue Multiples

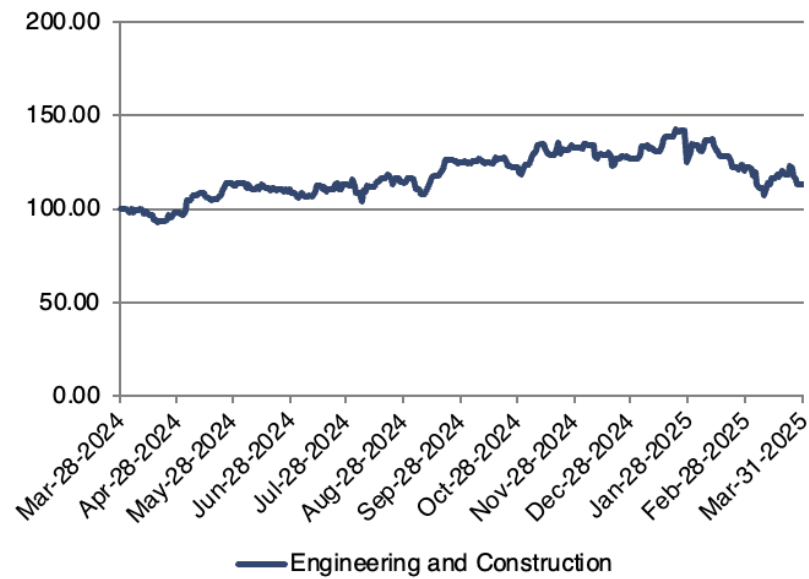
	3/31/25	3/31/24
Distributors and Logistics Index	1.0x	1.4x
CDW	1.3x	1.9x
ePlus	0.7x	1.0x
Insight	0.7x	0.8x
PC Connection	0.4x	0.5x

Company EBITDA Multiples

	3/31/25	3/31/24
Distributors and Logistics Index	12.4x	17.4x
CDW	13.8x	20.0x
ePlus	9.1x	10.6x
Insight	11.1x	14.2x
PC Connection	10.8x	12.2x

SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Engineering and Construction Index	13.3%	-9.4%
Baran Group	25.6%	-4.8%
COMSYS Holdings	-9.6%	2.8%
Dycom	6.1%	-12.5%
Mastec	25.2%	-14.3%
MIRAIT Holdings	15.2%	-0.7%

Company Revenue Multiples

	3/31/25	3/31/24
Engineering and Construction Index	0.8x	0.8x
Baran Group	0.7x	0.5x
COMSYS Holdings	0.6x	0.6x
Dycom	1.1x	1.2x
Mastec	0.9x	0.9x
MIRAIT Holdings	0.5x	0.5x

Company EBITDA Multiples

	3/31/25	3/31/24
Engineering and Construction Index	7.1x	7.3x
Baran Group	5.7x	6.4x
COMSYS Holdings	6.3x	7.5x
Dycom	9.9x	10.2x
Mastec	12.1x	13.6x
MIRAIT Holdings	7.8x	7.7x

ABOUT FOCUS INVESTMENT BANKING

With more than four decades of experience, FOCUS Investment Banking is a trusted name in M&A advisory services worldwide. FOCUS works to understand each client's strategic and financial objectives, craft the best plan to achieve these goals, and deliver success. Whether helping to sell, buy, or raise capital, FOCUS strives to maximize the value of every transaction to the benefit of its clients. FOCUS bankers are seasoned operating and financial executives with extensive transaction experience. Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker Dealer member FINRA/SIPC. For more information on FOCUS, please visit www.focusbankers.com.